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Message Text

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PAGE 01 STATE 236876

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ORIGIN NEA-03

INFO OCT-01 ISO-00 /004 R

66605
DRAFTED BY: NEA:MVANORDER
APPROVED BY: NEA:SSOBER
NEA/PAB:DBLAKEMORE (INFO)
---------- 018970
O 281810Z OCT 74
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI IMMEDIATE

LIMITED OFFICIAL USE STATE 236876

NEW DELHI FOR LAINGEN

FOLLOWING REPEAT STATE 236876 SENT ACTION DACCA
OCTOBER 26TH:

QUOTE LIMITED OFFICIAL USE STATE 236876

E.O. 11652: N/A
TAGS: EINV, US, BG
SUBJECT: AUTHORIZATION TO PROCEED WITH OPIC AGREEMENT

REF: (A) DACCA 4742; (B) STATE 222897

1. IF BDG PREPARED TO PROCEED WITH EXCHANGE OF NOTES CONSTITUTING OPIC AGREEMENT DURING SECRETARY'S VISIT, SUCH EXCHANGE IS HEREBY AUTHORIZED SUBJECT TO PARAS THREE AND FOUR BELOW. LAINGEN IS HANDCARRYING APPROPRIATE U.S. NOTE, TYPED IN FINAL FORM, FOR EXCHANGE WITH BDG. BENGALEE NOTE NEED ONLY REPEAT THE TEXT OF THE AGREEMENT AS SHOWN IN THE U.S. NOTE, NOTE THAT THE PROVISIONS CONTAINED THEREIN ARE ACCEPTABLE AND STATE THAT THE EXCHANGE OF NOTES CONSTITUTES AN AGREEMENT BETWEEN THE TWO GOVERNMENTS ON THE SUBJECT.

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2. EMBASSY WILL NOTE CHANGE FROM EARLIER TEXT, NEGO-

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TIATED AT INSTIGATION OF BD EMBASSY IN WASHINGTON.
PAGE 2 PARA NUMBER TWO NOW READS IN ITS ENTIRETY: QUOTE
THE PROCEDURES SET FORTH IN THIS AGREEMENT SHALL APPLY
WITH RESPECT TO COVERAGE OF INVESTMENTS IN PROJECTS OR
ACTIVITIES HEREAFTER APPROVED BY THE HOST GOVERNMENT.
END QUOTE. THE REMAINDER OF PARA TWO HAS BEEN DELETED.

3. THE LANGUAGE DELETED FROM THE EARLIER TEXT, PER PARA
TWO ABOVE, WAS ORIGINALLY INSERTED TO PROTECT OPIC
SHOULD A CLAIM ARISE IN CONNECTION WITH INSURANCE
ISSUED FOR SQUIBB'S INVESTMENT IN THEN EAST PAKISTAN.
SUCH PROTECTION IS STILL DESIRABLE, AND CONSEQUENTLY
THERE SHOULD BE FOLLOWING SIDE LETTERS EXCHANGES BETWEEN
AMBASSADOR AND APPROPRIATE BDG OFFICIAL AT THE UNDER
SECRETARY LEVEL OR HIGHER PRIOR RPT PRIOR TO SIGNATURE
OF OPIC AGREEMENT.

4. BEGIN TEXT. QUOTE: I REFER TO OUR PAST DISCUSSIONS
CONCERNING THE PROPOSED INVESTMENT INCENTIVE AGREEMENT
BETWEEN OUR TWO GOVERNMENTS, AND IN PARTICULAR TO
PARAGRAPH 2 OF THE DRAFT EXCHANGE OF NOTES WHICH IS
INTENDED TO CONSTITUTE THE AGREEMENT. THAT PARAGRAPH
STATES THAT THE PROCEDURES SET FORTH IN THE AGREEMENT
SHALL APPLY WITH RESPECT TO COVERAGE OF INVESTMENTS IN
PROJECTS OR ACTIVITIES HEREAFTER APPROVED BY THE
GOVERNMENT OF BANGLADESH.

IT IS THE UNDERSTANDING OF MY GOVERNMENT THAT THIS
PROVISION IS NOT INTENDED TO EXCLUDE FROM THE OPERATION
OF THE AGREEMENT THOSE EXISTING INVESTMENTS IN
BANGLADESH WHICH ARE COVERED BY INSURANCE OR GUARANTEES
PREVIOUSLY ISSUED BY THE GOVERNMENT OF THE UNITED
STATES. SPECIFICALLY, THE AGREEMENT IS INTENDED TO
APPLY WITH RESPECT TO (1) THE INVESTMENT OF E.R. SQUIBB
AND SONS, INC. IN SQUIBB OF BANGLADESH, LTD., AND (2)
THE INVESTMENT OF BELBAGCO, INC., IN BANGLADESH FABRICS
CO., LTD.

I WOULD APPRECIATE YOUR CONFIRMATION THAT THIS IS ALSO
THE UNDERSTANDING OF THE GOVERNMENT OF BANGLADESH.
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UNQUOTE.

5. LETTER IN RESPONSE FROM BDG OFFICIAL SHOULD SIMPLY
CONFIRM THAT BDG SHARES UNDERSTANDING SET FORTH IN
YOUR LETTER. FYI: NORMAL USG PROCEDURE WOULD BE TO
PUBLISH THE SIDE EXCHANGE OF LETTERS WITH THE TEXT OF
THE BILATERAL AGREEMENT. IF IT PROVES NECESSARY IN
ORDER TO OBTAIN BDG SIGNATURE, WE COULD AGREE NOT

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TO PUBLISH THE EXCHANGE OF LETTERS. END FYI.

6. REQUEST THAT PRIOR TO SIGNATURE OF AGREEMENT, UNLESS YOU PERCEIVE OBJECTION, YOU AGAIN QUERY BDG ON STATUS OF PAYMENT OF THE OUTSTANDING COMPENSATION CLAIM FOR THE EXPROPRIATION OF THE BANGLADESH FABRICS, INC., JUTE MILL. FYI: WE DO NOT WISH TO GIVE THE BDG A FALSE IMPRESSION THAT SIGNATURE OF THE OPIC BILATERAL IS CONDITIONAL UPON PAYMENT OF THIS CLAIM. WE DO NEED CONFIRMATION THAT BDG INTENDS TO PAY COMPENSATION AND IS MOVING AHEAD WITH A COMPENSATION FORMULA. END FYI

7. WHILE WE DO NOT REGARD IT AS ESSENTIAL THAT OPIC AGREEMENT BE SIGNED DURING SECRETARY'S VISIT, WE ARE PREPARED TO DO SO, SUBJECT TO THE FOREGOING CONSIDERATIONS. ON THE OTHER HAND, IF THE BDG WOULD RATHER NOT SIGN THE AGREEMENT DURING THE VISIT, THIS IS ALSO ACCEPTABLE. IN THE LATTER CASE, WE WOULD HOPE THAT THE AGREEMENT COULD BE CONCLUDED SHORTLY.

8. DACCA 4865 JUST RECEIVED. TIME CONSTRAINT DOES NOT PERMIT PROPER CONSIDERATION OF PROPOSED CHANGES SET FORTH PARA 2 THEREOF. IF BDG INSISTS ON THESE CHANGES, SIGNATURE WILL HAVE TO BE DELAYED UNTIL WE HAVE HAD TIME TO CONSIDER THEIR SIGNIFICANCE. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
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Concepts: FOREIGN INVESTMENT, AGREEMENTS, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 28 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: NEA:MVANORDER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740307-0457
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19741012/aaaaajkk.tel
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Original Handling Restrictions: n/a
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Review Authority: boyleja
Review Comment: n/a
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